92 14 8333

029370
0-35021

15

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

PROCESSED BY
MAY 18 1992

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

15-15 IV

FORM 10-Q

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

L30

[X] Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934
For the quarter ended March 31, 1992

PQ2-2233

or

[ ] Transition Report Pursuant to Section 13 of 15(d) of
the Securities Exchange Act of 1934
For the transition period from _____ to _____

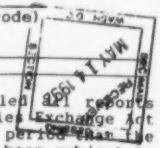
Commission file number 0-18095.

THE RANDERS GROUP INCORPORATED
(Exact Name of Registrant as Specified in its Charter)

DELAWARE	38-2788025
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

570 Seminole Road, Norton Shores, Michigan	49444
(Address of Principal Executive Offices)	(Zip Code)

(616) 733-0036
(Registrant's Telephone Number, including area code)



Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Number of Common shares, par value $.0001, outstanding at April 30, 1992: 14,097,500

BEST COPY
AVAILABLE

THE RANDERS GROUP INCORPORATED

FORM 10-Q

QUARTERLY REPORT

TABLE OF CONTENTS

		Page
Facing Sheet		1
TABLE OF CONTENTS		2
PART I	Financial Information	
ITEM 1	Financial Statements	
	Condensed Consolidated Balance Sheets (Unaudited) - March 31, 1992 and December 31, 1991	3
	Condensed Consolidated Statements of Operations (Unaudited) - Three months ended March 31, 1992 and 1991	5
	Condensed Consolidated Statements of Cash Flows (Unaudited) - Three months ended March 31, 1992 and 1991	6
	Notes to Condensed Consolidated Financial Statements	8
ITEM 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	10
PART II	Other Information	13
SIGNATURES		14
STATEMENT REGARDING COMPUTATION OF EARNINGS (LOSS) PER SHARE		15

THE RANDERS GROUP INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS	March 31, 1992	December 31, 1991
CURRENT:		
Cash and cash equivalents	$1,113,329	$1,521,247
Accounts receivable; Less allowances of $46,500 and $43,500 for possible losses	1,052,760	947,177
Accounts receivable - affiliate	816,597	570,765
Refundable income taxes	114,774	105,763
Prepaid expenses and other	107,582	51,931
TOTAL CURRENT ASSETS	3,205,042	3,196,883
NET PROPERTY AND EQUIPMENT, less accumulated depreciation of $498,109 and $452,190	2,514,043	2,542,112
OTHER:		
Notes receivable: Stockholders	217,696	215,532
Affiliate	390,636	383,111
Goodwill, less accumulated amortization of $51,057 and $47,988	193,460	196,529
Miscellaneous	75,613	80,341
TOTAL OTHER ASSETS	877,405	875,513
	$6,596,490	$6,614,508

See accompanying notes to condensed consolidated financial statements.

THE RANDERS GROUP INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)
(Unaudited)

	March 31, 1992	December 31, 1991
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Note payable - bank	$ 1,041,940	$ 686,000
Accounts payable	437,221	823,420
Billings in excess of costs and estimated earnings on contracts in progress	78,975	18,000
Accrued compensation and other	136,687	119,575
Deferred income taxes	95,000	95,000
Current maturities of long-term debt	485,000	99,873
TOTAL CURRENT LIABILITIES	2,274,823	1,841,868
LONG-TERM DEBT, less current maturities	1,063,552	1,465,444
TOTAL LIABILITIES	3,338,375	3,307,312
STOCKHOLDERS' EQUITY:		
Common stock, $.0001 par - shares authorized 30,000,000; issued 14,097,500	1,410	1,410
Additional paid-in capital	1,536,816	1,517,555
Retained earnings	1,719,889	1,884,570
Treasury stock, at cost; 85,000 shares	-	(96,339)
TOTAL STOCKHOLDERS' EQUITY	3,258,115	3,307,196
	$ 6,596,490	$6,614,508

See accompanying notes to condensed consolidated financial statements.

THE RANDERS GROUP INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
REVENUES:		
Construction	$ 182,904	$3,550,577
Service/consulting	781,013	1,059,544
Rental and other	45,026	48,497
Total Revenues	1,008,943	4,658,618
COSTS AND EXPENSES:		
Construction costs	189,922	3,185,214
Cost of services/consulting	617,785	737,736
Rental and other costs	67,658	24,759
Selling, general and administrative expenses	352,525	405,706
Total Costs and Expenses	1,227,890	4,353,415
Operating income (loss)	(218,947)	305,203
OTHER INCOME (EXPENSES):		
Interest expense	(54,957)	(16,013)
Interest income	22,423	39,932
Other Income (Expense) - Net	(32,534)	23,919
Income (loss) before taxes on income	251,481	329,122
INCOME TAXES (REDUCTION)	(86,800)	114,200
NET INCOME (LOSS)	$ (164,681)	$ 214,922
NET INCOME (LOSS) PER SHARE	$ (.01)	$ .02
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	14,035,349	13,173,333
DIVIDENDS DECLARED PER SHARE	$ .00	$ .00

See accompanying notes to condensed consolidated financial statements.

THE RANDERS GROUP INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
CASH FLOWS FROM (FOR) OPERATIONS:		
Cash received from customers	$ 601,768	$6,229,014
Cash paid to suppliers and employees	(1,392,802)	(6,178,000)
Interest received	12,734	30,620
Interest paid	54,857	(16,013)
Income taxes paid (refunded)	77,789	(414,812)
Net Cash From (For) Operations	(755,468)	(349,191)
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES:		
Capital expenditures	(17,850)	(682,018)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES:		
Net proceeds from sale of common stock	26,225	988,831
Net borrowings on line of credit	355,940	197,000
Principal payments on loans	(24,825)	(16,471)
Proceeds of long-term debt	8,060	708,874
Net Cash From Financing Activities	365,400	1,878,134
NET INCREASE (DECREASE) IN CASH	(407,918)	846,925
Cash and cash equivalents, at beginning of period	1,521,247	1,073,770
Cash and cash equivalents, at end of period	$1,113,329	$1,920,695

See accompanying notes to condensed consolidated financial statements.

THE RANDERS GROUP INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
RECONCILIATION OF NET INCOME LOSS TO NET CASH FROM (FOR) OPERATIONS:		
Net income (loss)	$ (164,681)	$ 214,922
Depreciation and amortization	48,988	27,890
Provision for losses on accounts receivable	3,000	9,000
Noncash compensation	-	104,517
Changes in assets and liabilities:		
Accounts receivable	(468,150)	1,516,596
Prepaid expenses and other	(69,623)	(42,322)
Accounts payable	(183,089)	(1,864,801)
Billings in excess of costs and estimated earnings on contracts in progress	60,975	53,800
Accrued expenses	17,112	(368,793)
Net cash from (for) operations	$(755,468)	$ (349,191)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES
THREE MONTHS ENDED MARCH 31, 1992

The Company sold 85,000 shares of its common stock for $1.375 per share, or $115,600 after expenses of $1,275. In exchange, the Company received $27,500 in cash and a note receivable bearing interest at 5.75% per annum, for $89,375. The shares of stock sold had previously been held as treasury stock. The excess of the net sales price of the stock over its cost was credited to additional paid in capital.

THREE MONTHS ENDED MARCH 31, 1991

The Company issued 2,500 shares of common stock with a fair value of $817 as compensation.

The Company forgave $13,700 of stock subscriptions receivable in payment of compensation.

The Company forgave $90,000 of notes receivable in payment of compensation.

See accompanying notes to condensed consolidated financial statements.

THE RANDERS GROUP INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The Company provides design, project management, consulting, development and general contracting services to industrial and commercial clients throughout the United States. The Company considers such operations to constitute one business segment.

The condensed consolidated financial statements include the Company and all of its subsidiaries. On consolidation all material intercompany accounts and transactions are eliminated.

The condensed consolidated financial statements included herein are unaudited; however, such information reflects all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods.

A portion of the Company's business is derived from long-term contracts, the income from which is recognized on the percentage-of-completion method. Results of operations for any quarter may include revisions to estimated earnings for such contracts that were recorded in prior periods and these revisions may again be adjusted in subsequent quarters as further information becomes available or the contracts are completed. The results of operations for the three months ended March 31, 1992 are not necessarily indicative of the results to be expected for the full year.

These financial statements and notes should be read in conjunction with the Companys' audited consolidated financial statements for the year ended December 31, 1991.

NOTE 2 - NOTE PAYABLE - BANK

The Randers Group Incorporated has a line of credit which provides for advances up to $1,100,000. The line bears interest at the prime rate. The prime rate was 7.0% at December 31, 1991 and 6.5% at March 31, 1992.

The line of credit expired on May 1, 1992, and the Company is currently borrowing on the line based on an oral agreement with the bank. The bank has tentatively agreed to extend the agreement for another year on the same terms.

THE RANDERS GROUP INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 3 - INSURANCE COVERAGE

Due to the reduced availability and increased cost of insurance, management has determined that professional liability insurance for a portion of the Company's business is cost prohibitive at this time. Management is not aware of any uninsured claims which may be asserted against it.

NOTE 4 - NET INCOME LOSS PER SHARE

Net income (loss) per share is computed on the basis of the weighted average number of common and common equivalent shares outstanding during the period.

ITEM 2

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

The Company's construction and service/consulting operations normally do not require a significant investment in property and equipment or other long-term assets and, therefore, cash flows from operations, when viewed over an extended period of time, have been closely related to the profitability of the Company. Short-term needs for cash may develop as the service/consulting business expands and cash is consumed by operations prior to the collection of the related revenue. The construction business may provide temporary cash resources as amounts payable to subcontractors and suppliers are normally not due until after the related receivable from the client is collected.

The Company's rental operations do require a significant investment in real estate. These operations are normally financed, at least in part, by long-term debt as was the case during the fourth quarter of 1990 and the first quarter of 1991.

Operations consumed $755,000 of cash during the first quarter of 1992. A net loss of $165,000, combined with an increase of $468,000 in accounts receivable and a $122,000 net reduction in accounts payable and billing in excess of costs and estimated earnings on contracts in progress, accounted for the decrease as other miscellaneous items offset each other during the period. The decrease in accounts payable results from a slowdown in business operations and the payment of retainage and other payables on completed projects. The increase in accounts receivables relates to the joint development of a condominium project with an affiliate. The development is currently being funded by use of working capital and additional borrowings on the Company's line of credit. The use of $755,000 cash for operations and $18,000 to acquire furniture and equipment were offset by net borrowings of $356,000 on the line of credit and $26,000 derived from the sale of stock resulting in a net decrease in cash of $408,000 for the first quarter of 1992.

Management is not aware of any known trends, demands, commitments, events or uncertainties, other than the following, that will result in the Company's liquidity increasing or decreasing in any material way.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Continued)

Beginning in 1991, the Company was required to pay income taxes in excess of those computed on financial statement income as one of the subsidiaries is no longer permitted to use the cash basis of accounting for income tax purposes. The remaining additional taxes are estimated to be $134,000 and will be paid over a two year period (1993 - 1994).

In January 1993, the Company is required to pay the remaining balance on a mortgage note. It is estimated that the balance will be approximately $400,000 at that time. To make the payment, the Company anticipates that a new source of long-term financing will be secured or the current agreement extended.

In May 1994, the Company is required to pay the remaining balance on another mortgage note. It is estimated that the balance will be $956,000 at that time. To make the payment, the Company anticipates that the current agreement will be extended or a new source of long-term financing will be secured.

The Company does not have any material commitment for capital expenditures which are outside the ordinary course of business.

Management does not contemplate or expect any change in capital resources of the Company, including any material changes in the mix or relative cost of such capital resources or any changes between debt and equity except as discussed. Accordingly, management expects that other future cash flow needs will be provided primarily from operations.

Results of Operations

The following table sets forth, for the periods indicated, the percentage of which certain items in the Company's Condensed Consolidated Statements of Operations bear to revenues:

	Three Months Ended March 31,	
	1992	1991
Revenues	100.0%	100.0%
Operating Income (loss)	(21.7)%	6.6%
Other Income (Expenses)	(3.2)%	(.3)%
Income Taxes (Reduction)	(8.6)%	2.5%
Net Income (Loss)	(16.3)%	4.6%

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Continued)

Three Months Ended March 31, 1992 Compared to 1991

Revenues for the first quarter of 1992 were $1,009,000 compared to $4,659,000 for the same period in 1991, a decrease of 78%. Construction revenues decreased $3,368,000 (95%) as construction projects completed in 1991 were not replaced by new projects. Revenues from service/consulting fees were $781,00 for the first quarter of 1992 compared to $1,060,000 in 1991, a decrease of $279,000 (26.3%). The economic downturn has continued to delay the start of many new projects thus affecting both construction and fee based revenues.

The Company experienced a $219,000 loss from operations during the first three months of 1992 compared to income from operations of $305,000 during the same period of 1991. Construction operations reported a gross loss of $7,000 (3.8%) as a small amount of additional costs were realized on projects which were completed in 1991. Construction operations for the first quarter of 1991 had reported a gross profit of $365,000 (10.3%). Gross profit from service/consulting fees were $163,000 (20.9%) for the first quarter of 1992 compared to $322,000 (30.4%) in 1991. The decrease in gross profit percentage from service/consulting fees results primarily from the effects of fixed cost which can not be reduced in proportion to the decrease in related revenues. Selling, general and administrative expenses decreased $53,000 in 1992 when compared to the first quarter of 1991. Such costs, however, were 34.9% of revenue in 1992 compared to 8.7% of revenue of 1991. The reduction in selling, general and administrative cost relates primarily to staff and salary reductions which were put into effect during the third and fourth quarter of 1991.

Net interest expense was $33,000 for the first three months of 1992 compared to net interest income of $24,000 in 1991. Interest expense increased because of additional borrowings on the line of credit, and in addition, interest costs of approximately $18,500 on a construction/mortgage loan were capitalized during the first quarter of 1991 while such cost were charged to expense in 1992. Interest expense for the first quarter of 1992 would have been approximately $10,000 higher if the average prime rate of 9.3% during the first quarter of 1991 had not decreased to 6.5% during the first quarter of 1992.

PART II - OTHER INFORMATION

Items 1-5

Not applicable.

Item 6

6(a) Exhibit: Statement regarding Computation of Earnings Per Share.

6(b) Reports on Form 8-K: No reports on Form 8-K were filed with the Securities and Exchange Commission during the quarter ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE RANDERS GROUP INCORPORATED

Date: 5/11/92

Thomas R. Eurich, President

Date: 5/11/92

Michael J. Kalfitzky
Senior Vice President and Treasurer

Date: May 11, 1992

David A. Wiegerink, Vice President
Finance and Administration
Principal Accounting Officer

Statement Regarding Computation of Earnings (Loss) Per Share

Primary Earnings Per Share

Net income (loss) per share is computed on the basis of the weighted average number of common and common equivalent shares outstanding during each period. The number of shares used in computing net income (loss) per share for each of the periods included herein are as follows:

	Weighted Average Number of Common Shares Outstanding	Weighted Average Number of Common Equivalent Shares Outstanding	Total
Three Months Ended			
March 31, 1992	14,035,349	---	14,035,349
March 31, 1991	13,173,333	---	13,173,333

Common equivalent shares, calculated using the treasury stock method, include shares issuable under the Company's stock option plan.

Common equivalent shares were not used in computing net loss per share for the first quarter of 1992 as they would be antidilutive when a loss exist. For the first quarter of 1991 all common equivalent shares would have been antidilutive (would have resulted in increased earnings per share) as the outstanding stock options were exercisable at prices which were at or in excess of the market price.